



# **REPOSITIONING A DESTINATION GUAM V 2.0**

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**Nathan P. Denight, President & CEO**

Guam Visitors Bureau

# **TOURISM IS GUAM'S LEADING INDUSTRY**

**20,000 JOBS**

**1 OUT OF EVERY 3 JOBS ON GUAM**

**\$1.5 BILLION ANNUALLY**

**60% OF BUSINESS REVENUE**



# MISSION

Grow a sustainable visitor industry...

that generates economic opportunities and enhances the quality of life for all...

protecting and respecting our island's unique heritage, cultural and natural environment...

making Guam a better place to live, work and visit.

# VISION

A world class, first tier resort destination of choice

Offering a U.S. Island paradise with stunning ocean vistas  
for Two Million business and leisure visitors

With accommodations and activities from value to luxury  
Set in a Safe, clean, Family friendly environment

Amidst a Unique 4,000 Year Old Culture

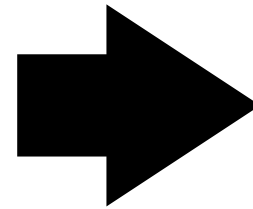
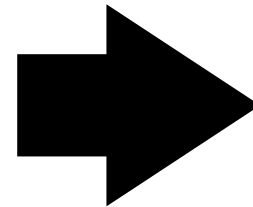
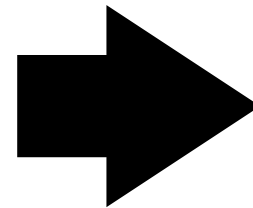
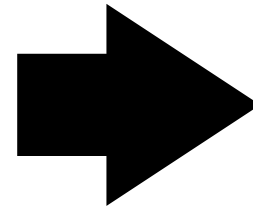
## TODAY

Close and cheap  
budget destination

1.3 m Japanese and  
Korean tourists

Middle quality rooms  
and activities

No special feature



## VISION

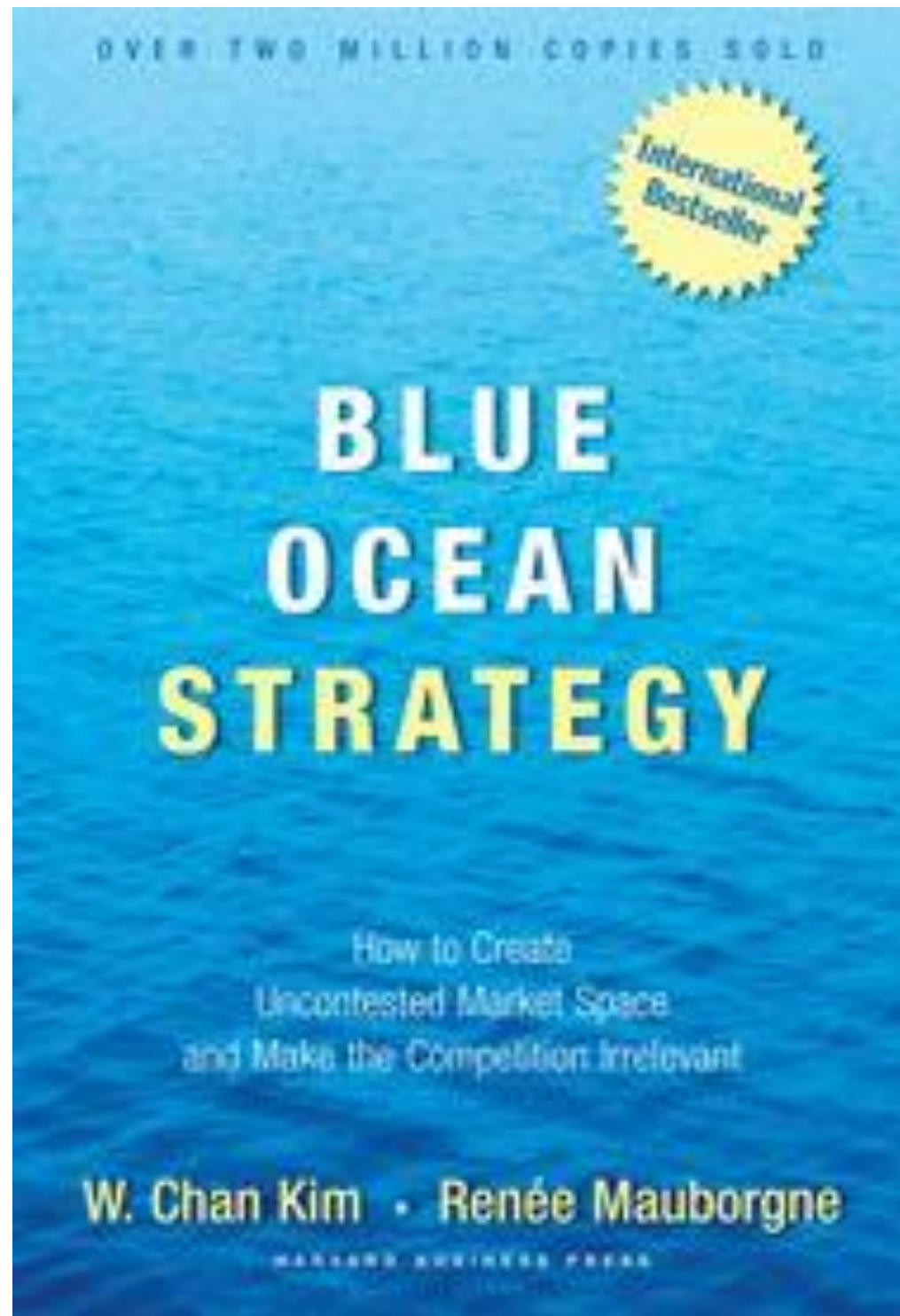
Quality resort  
destination of choice

2 m business and leisure  
visitors from the region

Rooms and activities from  
value to 5 star

Safe. Clean. Family-  
friendly. Unique Culture





Create uncontested  
market space and make  
the competition  
irrelevant

ONLY ON  
GUAM





# Strengths

17

- Beautiful Environment
- Quality Shopping & Attractions
- Short Flight To Main Markets
- U.S. Territory. Visa Waiver



# Weaknesses

17

- Budget Image. Low Spending Guests
- Poor Maintenance & Service
- Insufficient Rooms (at peaks)
- Dependent on Japan Alone



## 8 Core Objectives

1. Improve Quality & Yield
2. Grow Arrivals & Diversify
3. Add High-End Hotel Rooms
4. Focus on MICE
5. Promote Chamorro Culture
6. Extend Length of Stay
7. Promote Unique Attractions
8. Extend Tourism Past Tumon



## Objective 1: Improve Quality

Establish a  
Special Resort District  
with CC&R's

30



# Safety & Security



**Visitor Safety Officers (VSO's)  
and CCTV Cameras**



# Work Force Training



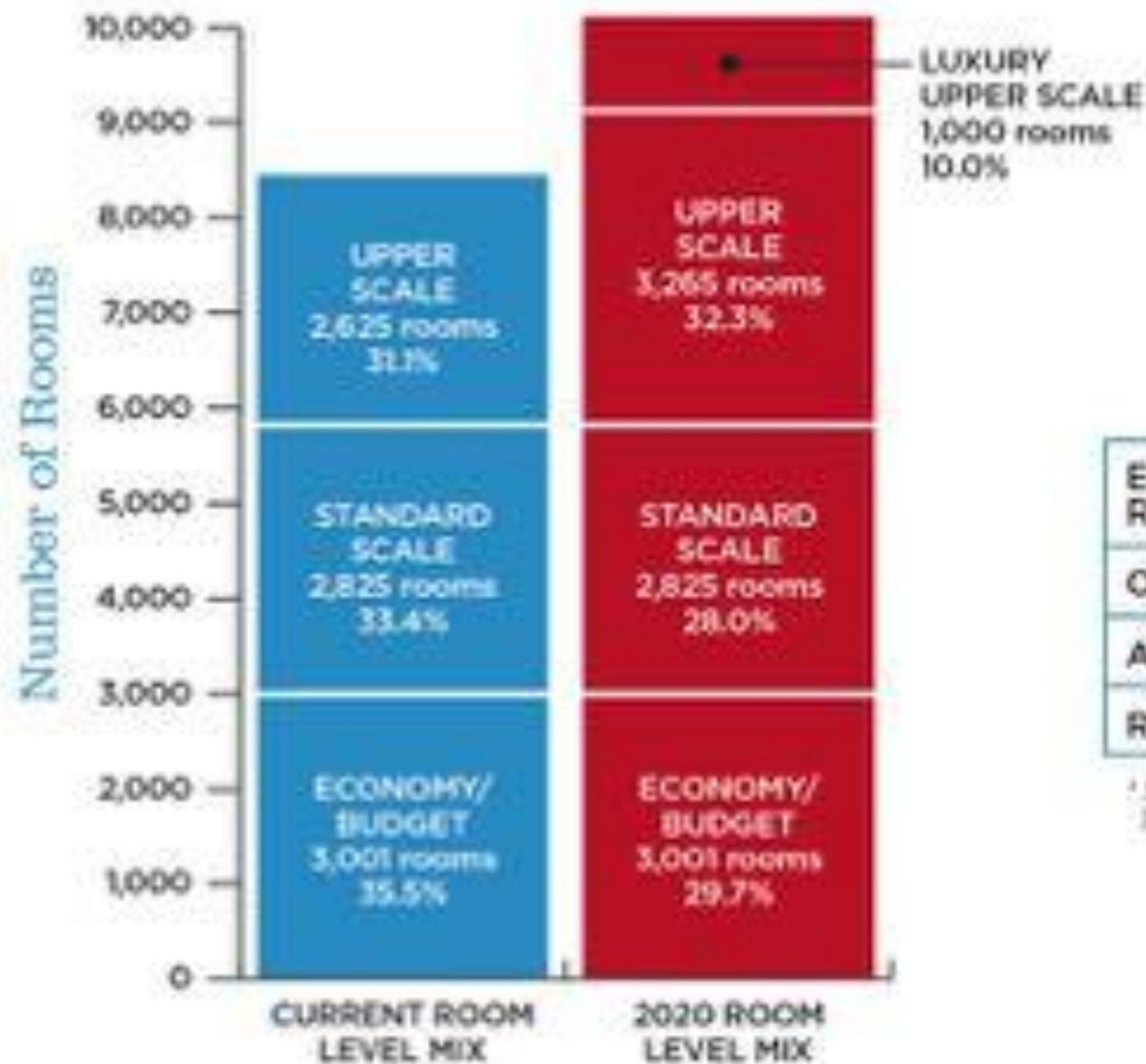
## Objective 2: Grow Arrivals & Diversify

CALENDAR YEAR ARRIVALS	2012	MARKET MIX	2020	MARKET MIX w/o CVW*	MARKET MIX w/ CVW*
Japan	929,229	71.0%	1,050,000	60.0%	52.5%
Korea	182,829	14.0%	350,000	20.0%	17.5%
Taiwan	49,144	3.8%	70,000	4.0%	3.5%
Hong Kong	8,609	0.7%	12,000	0.7%	0.6%
Philippines	10,483	0.8%	15,000	0.9%	0.8%
Russia	4,040	0.3%	20,000	1.1%	1.0%
U.S. & Hawaii	62,618	4.8%	70,000	4.0%	3.5%
Australia	3,763	0.3%	5,000	0.3%	0.3%
CNMI	16,717	1.3%	20,000	1.1%	1.0%
Micronesia	14,640	1.1%	18,000	1.0%	0.9%
Other	17,024	1.3%	20,000	1.1%	1.0%
China without Visa Waiver	8,939	0.7%	100,000	5.7%	
China with Visa Waiver			350,000		17.5%
<b>TOTAL w/o CVW*</b>	<b>1,308,035</b>		<b>1,750,000</b>		
<b>TOTAL w/ CVW*</b>			<b>2,000,000</b>		



## Objective 3: Add Hotel Rooms

### 2020 Hotel Room Development Strategy



	2013*	2020
EMPLOYEES/ ROOM RATIO	13,284/1.65	16,549/1.64
OCCUPANCY	77%	85.1%
ADR	\$134	\$225
RevPAR	\$103	\$191

\* Source: Guam Hotel and Restaurant Association Report, September 2013



## Objective 4: Develop MICE for slow seasons







# **Objective 5**

## **Promote Guam's Unique 4,000 Year Old Culture**

## Objective 6: Extend Average Length of Stay





## Objective 7: Promote Guam's Unique Attractions





# Attractions





## Objective 8: Extend Tourism Beyond Tumon

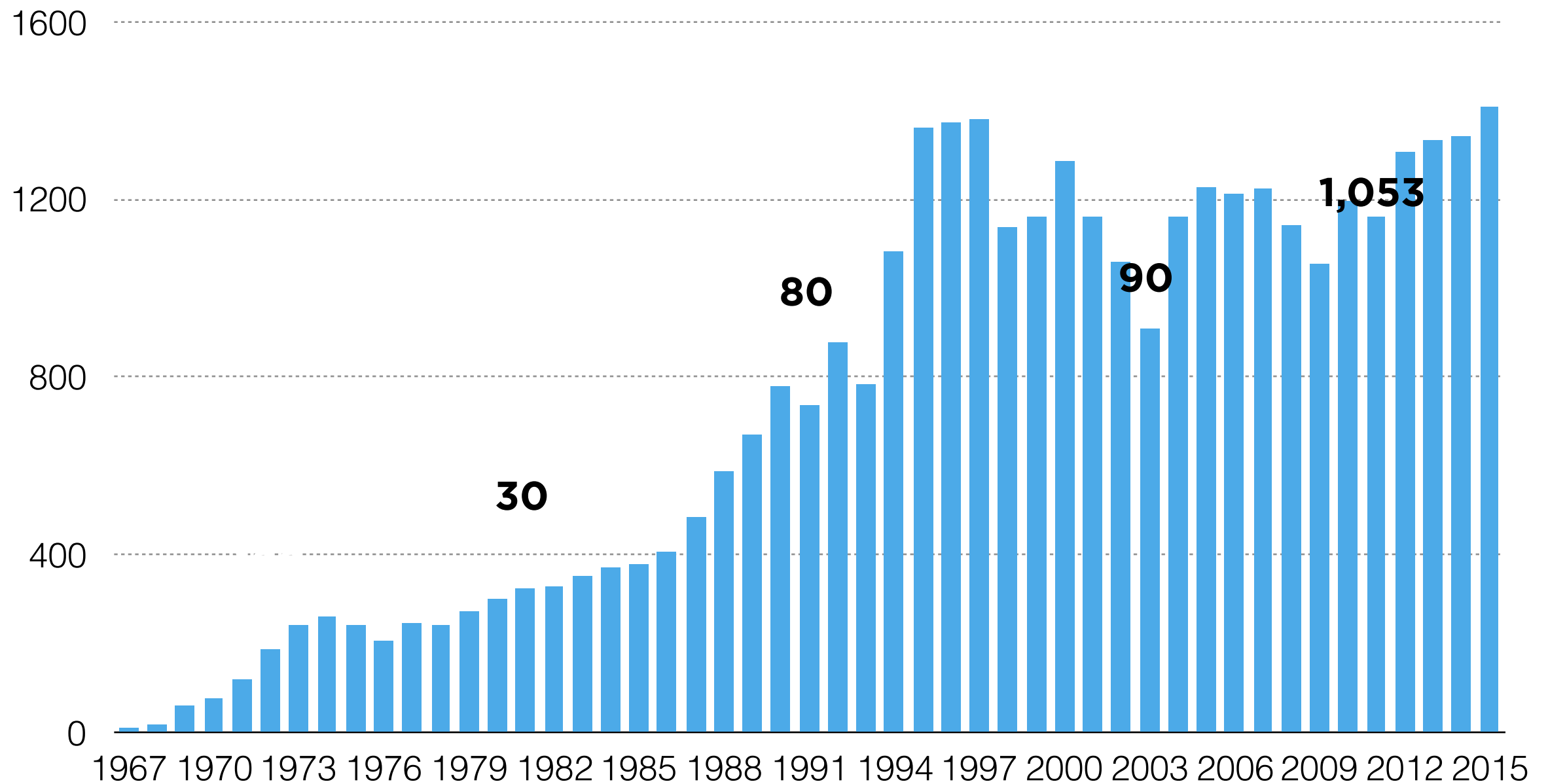


Guam Museum, 2016



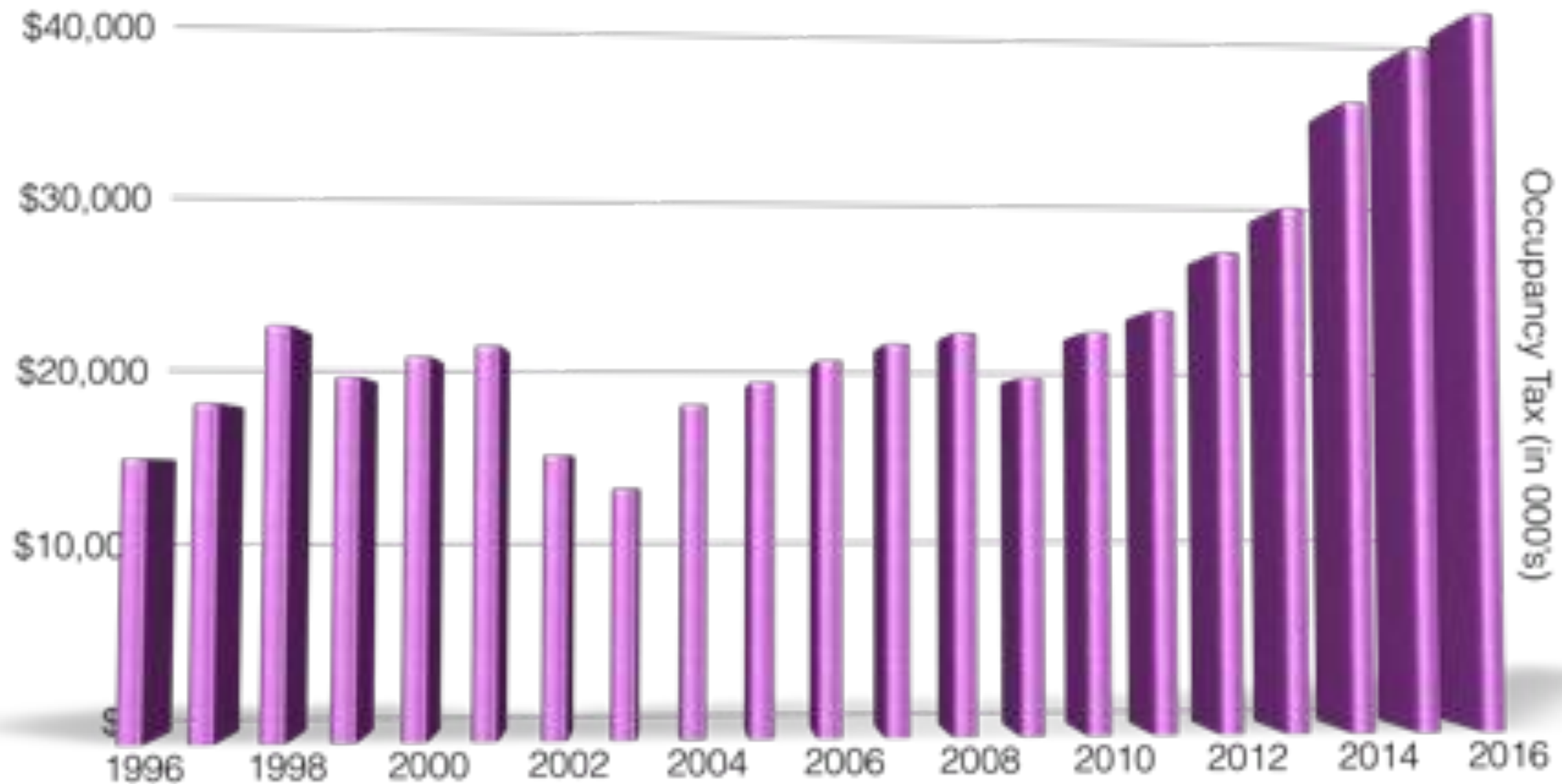


## Guam Historical Arrivals 1967-2015



**33% growth from 2011-2016 (6%)**

## Hotel Occupancy Tax



**70% growth from 2011-2016**



# Guam Visitor Arrivals 2012 – 2016

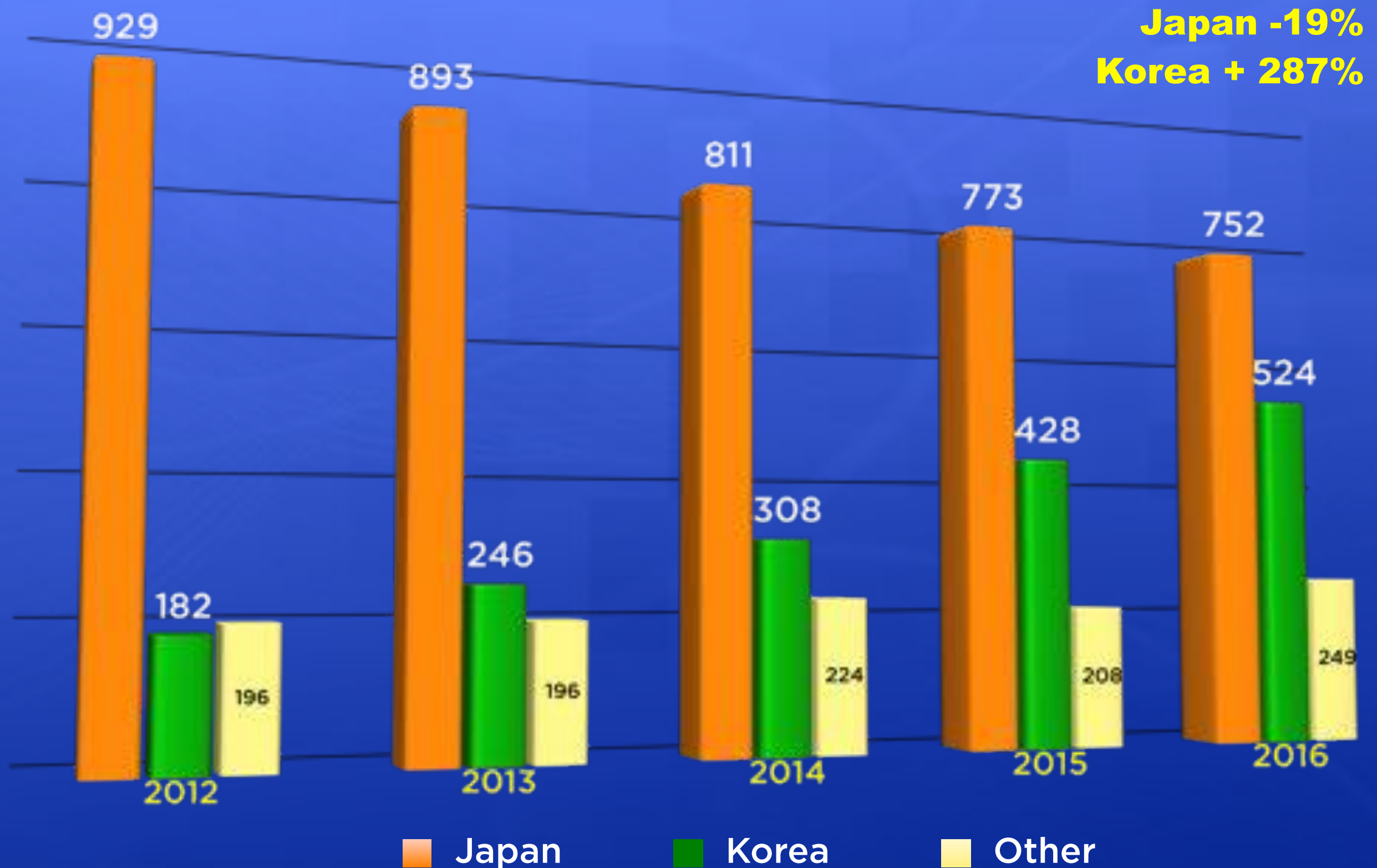


**+17% 2012 vs. 2016**

**+8% 2015 vs. 2016**

Note: Current year based on YTD actual through July 2016 and forecast YE

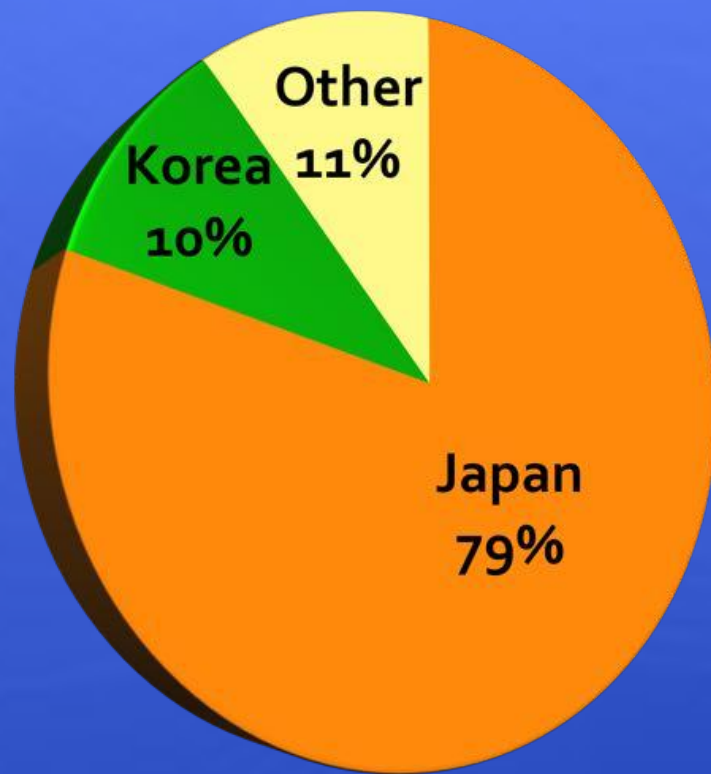
# Guam Visitor Arrivals 2012 – 2016



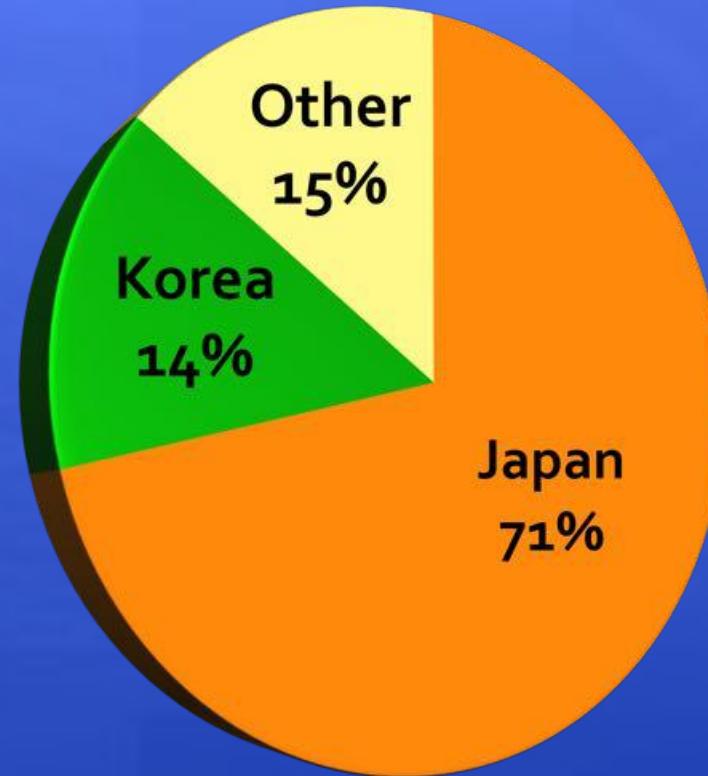
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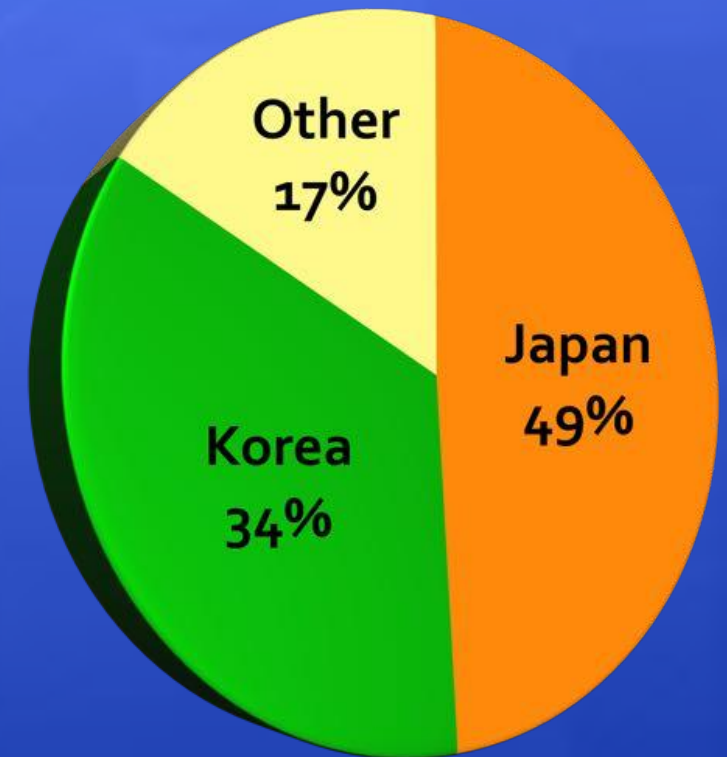
# Visitor Arrival Mix 2006 – 2016



2006



2012



2016

# Outbound Pax: Japan and Korea

## 1996-2016

<i>In Millions</i>	1996 20 Years Ago	2006 10 Years Ago	2011 5 Years Ago	Today
Japan Outbound	16.7	17.5	17.0	16.2
Korea Outbound	4.6	11.6	12.7	16.1

Note: Current year based on YTD actual through July 2016 and forecast YE  
Source: Japan Overseas Travelers, Japan National Tourism Organization.  
Korea Overseas Travelers, Korea Tourism Organization



# Guam Market Share, Japan

<i>In Millions</i>	1996 20 Years Ago	2006 10 Years Ago	2011 5 Years Ago	Today
Japan Outbound	16.7	17.5	17.0	16.2
Japan Market Share	6.2%	5.4%	4.9%	4.5%

Note: Current year based on YTD actual through July 2016 and forecast YE  
Source: Japan Overseas Travelers, Japan National Tourism Organization.  
Korea Overseas Travelers, Korea Tourism Organization


# Guam Market Share, Korea




<i>In Millions</i>	<b>1996</b> 20 Years Ago	<b>2006</b> 10 Years Ago	<b>2011</b> 5 Years Ago	<b>Today</b>
Korea Outbound	<b>4.6</b>	<b>11.6</b>	<b>12.7</b>	<b>16.8</b>
Korea Market Share	<b>4.9%</b>	<b>1.0%</b>	<b>1.2%</b>	<b>2.4%</b>

Note: Current year based on YTD actual through July 2016 and forecast YE  
Source: Japan Overseas Travelers, Japan National Tourism Organization.  
Korea Overseas Travelers, Korea Tourism Organization








# Japan Visitor Profile 1996 Vs. 2016

	1996	2016
Male	48%	50%
Female	52%	50%
18-24	22% 	32%
25-34	37%	31%
35-49	33%	24%
50+	8%	12%
Single	55%	58%
Married	45%	42%
Avg Stay	3.33	3.08

	1996	2016
First Timer	75%	56%
Repeater	25% 	44%
Full Package	60% 	22%
Free Time	26%	60%
FIT	7%	10%
Other	7%	7%
1+ Tours	80% 	58%
No Tours	20%	42%

# Korea Visitor Profile 1996 Vs. 2016

	1996	2016
Male	61%	50%
Female	39%	50%
18-24	25% 	5%
25-34	32%	46%
35-49	34%	45%
50+	9%	4%
Single	21% 	81%
Married	79%	19%
Avg Stay	4.33	3.63

	1996	2016
First Timer	94%	85%
Repeater	6% 	15%
Full Package	93% 	38%
Free Time	—	43%
FIT	7%	16%
Other	—	3%
1+ Tours	21% 	81%
No Tours	79%	19%



# Winners & Losers in the New Tourism Economy

## Winners

- Hotels
- Rental Cars
- Local Restaurants
- Outside Tumon

## Losers

- Travel Agents
- Optional Tours
- Bus Companies
- Old Guard

# Hotel ADR & TAF Collections 2006-2016



Note: 2016 based on YTD actual through Sep 2016 and estimated YE Oct-Dec  
Source: TAF Collection, Accounting Division, Department of Administration, Hotel ADR, STR.



# Economic Impact

## Targets

KEY PERFORMANCE INDICATORS <sup>1</sup>	2013	2020
VISITOR ARRIVALS	1.34 Million	2 Million
AVG ON-ISLAND SPEND	\$1,100	\$1,320 <sup>2</sup>
TOURISM-RELATED JOBS	20,436	32,000
GOV TAX REVENUES	\$167 Million	\$300 Million
TOURISM ECONOMY SALES	\$1.47 Billion	\$2.64 Billion



# SI YU'OS MA'ASE!

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